

**FORTY-EIGHTH LEGISLATURE
FIRST SESSION, 2007**

February 19, 2007

Mr. Speaker:

Your **ENERGY AND NATURAL RESOURCES COMMITTEE**, to whom has been referred

HOUSE BILL 666

has had it under consideration and reports same with recommendation that it **DO PASS**, amended as follows:

1. On page 1, lines 11 and 12, strike "AND PERMITTING THE ELECTION OF ALTERNATIVE METHODS OF VALUATION OF" and insert in lieu thereof "THE USE OF ECONOMIC AND FUNCTIONAL OBSOLESCENCE TO VALUE".

2. On page 1, line 14, after "ENERGY" insert "; DECLARING AN EMERGENCY".

3. On pages 3, 4 and 5, strike Subsection C in its entirety.

4. Reletter the succeeding subsections accordingly.

5. On page 6, strike lines 7 through 13 and insert in lieu thereof:

"G. Nothing in this section shall obligate the taxpayer to request or use a unitary valuation. In no event shall an electric plant be valued at a higher level than the "tangible property cost" less the appropriate straight-line depreciation over the economic life of the property. In the event that the department disputes an investor-owned utility taxpayer's claim for functional obsolescence or economic obsolescence, the taxpayer may request that the taxpayer's claims for functional obsolescence and economic obsolescence be corroborated by a valuation applying the unit rule of appraisal using the following components weighted as follows:

(1) one-third capitalization of earnings;

(2) one-third market value of stock and debt;

and

(3) one-third cost less depreciation, economic obsolescence and functional obsolescence."

6. Reletter the succeeding subsections accordingly.

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7. On page 7, between lines 9 and 10, insert the following new section:

"Section 3. EMERGENCY.--It is necessary for the public peace, health and safety that this act take effect immediately.".,

and thence referred to the **TAXATION AND REVENUE COMMITTEE.**

Respectfully submitted,

James Roger Madalena, Chairman

Adopted _____
(Chief Clerk)

Not Adopted _____
(Chief Clerk)

Date _____

The roll call vote was 10 For 0 Against

Yes: 10

No: 0

Excused: Bratton, Gutierrez, Lujan, A., Wirth

Absent: None

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